

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)	
DETROIT THERMAL, LLC,)	Case No. U-18465
for approval of a steam sales agreement.)	
_____)	

At the November 21, 2017 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Norman J. Saari, Commissioner
Hon. Rachael A. Eubanks, Commissioner

OPINION AND ORDER

On October 13, 2017, Detroit Thermal, LLC (Detroit Thermal), filed an application for *ex parte* approval of a steam sales agreement¹ (agreement) with Bedrock Management Services, LLC, for the following service locations: One Woodward, First National Building, Chase Building, One Detroit Center, and Federal Reserve (collectively, Bedrock Properties).

In its application, Detroit Thermal represented that there are clear benefits in the agreement for Detroit Thermal, its members, and its existing customers, including, but not limited to, bringing new buildings onto the steam system while retaining other buildings, thereby bolstering the central heating unit as a whole. The public will also benefit from the terms of this agreement, because it ensures that Bedrock Properties will be able to provide heat and hot water to their tenants.

¹ The contract is attached to this order as Exhibit A.

Detroit Thermal is not requesting, and the agreement does not require, any ratemaking determinations or any change in the rates or costs of service to existing customers. Approval of the agreement will not alter or increase any existing steam rates paid by existing customers; therefore, the agreement may be approved by the Commission without notice or hearing as provided by MCL 460.6a(1).

The Commission has reviewed the agreement and finds that the agreement is in the public interest, is reasonable, and should be approved. The Commission further finds that *ex parte* approval of the application is appropriate.

THEREFORE, IT IS ORDERED that the steam sales agreement between Detroit Thermal, LLC, and Bedrock Management Services, LLC, attached to this order as Exhibit A, is approved with the understanding that Detroit Thermal, LLC, bears the risks associated with any future ratemaking treatment afforded the agreement in a future rate case.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungpl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Norman J. Saari, Commissioner

Rachael A. Eubanks, Commissioner

By its action of November 21, 2017.

Kavita Kale, Executive Secretary

Exhibit A

DETROIT THERMAL, LLC
STEAM SERVICE AGREEMENT

This Steam Service Agreement ("Agreement"), made as of October 10, 2017, by and between Detroit Thermal, LLC, an Ohio limited liability company whose address is 541 Madison Ave., Detroit, MI 48226, hereinafter called "Detroit Thermal" and Bedrock Management Services LLC, a Michigan limited liability company whose address is 630 Woodward Avenue, Detroit, Michigan 48226, as agent for the building owners listed on Exhibit A, hereinafter called the "Customer" is for a supply of steam to be delivered by Detroit Thermal to the following service locations:

- i. 1 Woodward Avenue, Detroit, MI 48226 ("One Woodward");
- ii. 660 Woodward Avenue, Detroit, MI 48226 ("First National Building");
- iii. 611 Woodward Avenue, Detroit, MI 48226 ("Chase Building");
- iv. 500 Woodward Avenue, Detroit, MI 48226 ("One Detroit Center"); and
- v. 160 West Fort Street, Detroit, MI 48226 ("Federal Reserve").

This Agreement supersedes any and all previous agreements for steam service provided by Detroit Thermal to the service locations identified above. Steam service shall be delivered by Detroit Thermal and received and paid for by the Customer under the following terms and conditions:

1. **SCOPE OF SERVICE.**

A. **ONE WOODWARD BUILDING.** Except to the extent this Agreement provides for different terms and conditions, the sale and delivery of steam under this Agreement to One Woodward is governed by the terms of Detroit Thermal's filed tariff, *MPSC No.1 - Steam* ("Tariff"), as revised from time to time. A copy of Detroit Thermal's current Tariff is attached to this Agreement as Exhibit B and is incorporated herein by reference. The terms of this Agreement shall apply in all cases where a conflict exists with the provisions of Detroit Thermal's Tariff. Customer acknowledges that Detroit Thermal's Tariff is revised from time to time after Michigan Public Service Commission ("MPSC") approval and Customer shall be bound by any such revisions to the Tariff, provided however, that the terms of this Agreement shall control in the event that any revisions to Detroit Thermal's Tariff conflict with this Agreement.

B. **OTHER BUILDINGS.** Except for the price terms set forth in Sections 3(B) below, the sale and delivery of steam under this Agreement to the First National Building, Chase Building, One Detroit Center, and the Federal Reserve is governed by the terms of Detroit Thermal's Tariff as revised from time to time.

2. **TERM.** This Agreement shall be for a period of five (5) years beginning on the day after the date the MPSC issues an Order approving this Agreement (the "Contract Start Date") (the "Initial Term"). Thereafter, this Agreement shall automatically be extended for two (2) additional

terms of five (5) years each (each a "Renewal Term") unless prior to the end of the then current Initial Term or Renewal Term, as the case may be, a party gives written notice to the other party at least six (6) months before the end of the then current term that this Agreement shall not be extended, in which case this Agreement shall terminate at the end of the then current term. If during the term of this Agreement Detroit Thermal and Customer enter into a Master Steam Agreement, then this Agreement shall be terminated and replaced with the terms and conditions of the Master Steam Agreement.

3. PRICE.

A. ONE WOODWARD BUILDING.

- i. *Initial Term.* During the Initial Term of this Agreement the price for steam provided by Detroit Thermal to One Woodward shall be equal to [REDACTED] 1000 pounds of steam ("Mlb.").
- ii. *Renewal Terms.* The price per Mlb. for steam provided by Detroit Thermal to One Woodward during the Renewal Terms shall be as follows:
 - i) First Twelve Months of First Renewal Term: During the twelve (12) month period between the fifth (5th) and sixth (6th) anniversary of the Contract Start Date the price per Mlb. of steam provided by Detroit Thermal to One Woodward shall be equal to the product of: i) [REDACTED] by ii) a fraction, the numerator of which shall be the United States Department of Labor Bureau of Labor Statistics Producer Price Index for Utilities (Series ID: pcu221---221---) (NAICS 221) not seasonally adjusted (December 2003 = 100) (hereinafter the "PPI") published value for the month of August immediately preceding the fifth (5th) anniversary of the Contract Start Date and the denominator of which is 145.1. Notwithstanding anything to the contrary, if the quotient obtained in the foregoing fraction shall be less than one (1), then the price for steam provided by Detroit Thermal to One Woodward shall be equal to [REDACTED] per Mlb.
 - ii) Each Succeeding Twelve Month Period: Commencing on the sixth (6) anniversary of the Contract Start Date and on each successive anniversary of the Contract Start Date thereafter, the price per Mlb. of steam provided by Detroit Thermal to One Woodward during the immediately preceding twelve (12) month period will be adjusted based upon the annual percentage increase, if any, between the published PPI value for the month of August immediately preceding the immediately upcoming anniversary of the Contract Start Date and the published PPI value for the month of August of the prior year; provided

however, that if the foregoing calculation results in a price per Mlb. that is equal to or lower than the price per Mlb. for the immediately preceding twelve (12) month period, Customer shall continue to pay the price per Mlb. as charged during the immediately preceding twelve (12) month period.

- iii) The price for steam shall be pro-rated on a daily basis for a change occurring during a billing period.
- iv) In the event that a PPI value is revised by the United States Department of Labor Bureau of Labor Statistics subsequent to its original publication, the price per Mlb. shall be recalculated for the months in which the unrevised value was used and on a going forward basis.
- v) Examples of the foregoing price calculations are attached as Exhibit C.
- vi) In the event that the PPI ceases to use the December 2003 figure of 100 as the base of calculation or the publishing of the PPI shall be discontinued or unavailable for any reason, the parties hereto shall mutually agree upon the use of a substitute index or other comparable statistics to set the price for steam during a twelve (12) month period in a Renewal Term. If the parties cannot agree upon a substitute index or comparable statistics, this Agreement shall terminate.

B. OTHER BUILDINGS. Detroit Thermal will charge and the Customer will pay the applicable tariff steam service rate set forth in Detroit Thermal's Tariff, as revised from time to time, for all steam provided by Detroit Thermal to the First National Building, Chase Building, One Detroit Center, and the Federal Reserve, provided however, that during the first three (3) years of the initial five (5) year term of this Agreement the rate for service to these four locations shall not exceed [REDACTED] per Mlb. plus applicable taxes, including but not limited to State Sales Tax and City of Detroit Utility Users Tax. For purposes of clarity, the rate for steam service provided to the First National Building, Chase Building, One Detroit Center, and the Federal Reserve beginning on the fourth (4th) anniversary of the Contract Start Date shall not be capped regardless of any extensions of the term of this Agreement.

4. **TAXES.** In addition to the payment for all steam delivered to One Woodward, the First National Building, Chase Building, One Detroit Center, and the Federal Reserve the Customer shall pay any tax levied by the City, County, State, or Federal governmental agencies on the sale of steam, including but not limited to State Sales Tax and the City of Detroit Utility Users Tax. If Customer is exempt from any such tax, it shall provide Detroit Thermal proof of such exemption.

5. **BILLING DISPUTE.** If the Customer, in good faith, disputes the amount of any invoice for service to One Woodward or any part thereof prior to an invoice's due date, the Customer shall pay the amount it conceded to be correct and provide the Company with written notification of the dispute along with any evidence and documentation supporting the disputed amounts. The Customer and Company shall attempt to resolve the billing dispute and shall forebear from pursuing any remedy available to them at law or in equity to enforce their rights for a period of sixty (60) days from the date the foregoing written notice becomes effective in accordance with Section 15 below. Thereafter either party may pursue any remedy available at law or in equity to enforce its rights, including but not limited to the discontinuation of steam service. If the Customer fails to dispute the amount of any invoice for service to One Woodward or any part thereof prior to the applicable invoice's due date, the Company shall not be required to forebear from pursuing any remedies available to it, including but not limited to discontinuation of service.

6. **FINANCIAL RESPONSIBILITY.** Should any invoice sent to the Customer remain outstanding for a period of ninety (90) days, Detroit Thermal may require Customer to provide a security deposit in an amount not to exceed two (2) times the average of the amounts the Customer was billed for steam usage during the immediately prior October through March period (the immediately prior heating season) before further deliveries of steam are made. In the event there is no steam usage history during this period, the Company shall estimate the amount of the Customer's usage for the applicable period until such time as the Customer's actual steam usage for the period becomes available. The Customer will have ten (10) business days from the date of the Company's request to provide the security deposit before delivery of steam is discontinued. In the event Detroit Thermal requires the Customer to provide a security deposit Detroit Thermal, upon termination of this Agreement, will return any security deposit to Customer with interest at the actual rate earned by Detroit Thermal's interest bearing checking account, less any amount, including but not limited to reasonable attorney's fees, needed to cure any defaults by the Customer which are then existing.

7. **REQUIREMENTS.** During the term of this Agreement the Customer shall only be permitted to use steam energy procured from Detroit Thermal for its heating and domestic hot water needs for the One Woodward location and shall purchase all of its steam requirements for the One Woodward location exclusively from Detroit Thermal. The provisions of this section may be terminated by the Customer should Detroit Thermal fail to provide the Scope of Service as more fully described herein for an unreasonable period of time except in instances of Force Majeure as set forth below.

8. **MAINTENANCE INTERRUPTION.** The Company shall provide the Customer with at least seventy-two (72) hours prior notice of an interruption in steam service to One Woodward arising out of any regularly scheduled maintenance performed by the Company. The notice requirement set forth in this section shall not be required for any emergency shut-off or an interruption in service resulting from an event of Force Majeure as defined below.

9. **ONE WOODWARD STEAM SERVICE CONNECTION.** Detroit Thermal shall connect the designated tie-in point inside the One Woodward service location to Detroit Thermal's steam

distribution system at its own cost. The target for completion of the One Woodward connection will be November 1, 2017, but failure to meet the target date shall not constitute a default.

10. **FORCE MAJEURE.** If Detroit Thermal shall be delayed, hindered in, or prevented from the performance of any of its obligations under this Agreement as a result of Force Majeure (as hereinafter defined), it shall not be liable for loss or damage for the failure or be liable to the Customer for a breach of contract. Except for obligations to make payments under this Agreement, if the Customer shall be delayed, hindered in, or prevented from the performance of any of its obligations under this Agreement as a result of Force Majeure (as hereinafter defined), it shall not be liable for loss or damage for the failure or be liable to the Company for a breach of contract. "Force Majeure" shall mean any period of delay which arises from or through Acts of God; strikes, lockouts or labor difficulty; explosion, sabotage, accident, riot or civil commotion; act of war; fire or other casualty; new legal requirements; delays caused by the other party; causes beyond the reasonable control of the party claiming Force Majeure; and delay, interruption or termination of steam, water, electricity, gas or other commodities supplied to Detroit Thermal by third parties for reasons other than non-payment or non-performance by Detroit Thermal of its obligations under any applicable supply contract.

11. **ENTIRE AGREEMENT.** This is the entire Agreement and understanding between the parties and it supersedes all prior understandings and agreements regarding the subject matter addressed herein, whether oral or written.

12. **MODIFICATION.** This Agreement may not be amended, revoked, changed or modified except by prior written agreement executed by all parties. No waiver of any provision of this Agreement will be valid unless in writing and signed by the party against whom such waiver is charged. The waiver of any breach of any term, covenant or condition of this Agreement shall not be deemed to be a waiver of any subsequent breach of this Agreement nor shall any waiver authorize the nonobservance of any other occurrence of the same or of any other covenant or condition thereof.

13. **ASSIGNMENT.** This Agreement will be binding upon the Customer's successors and its permitted assigns and will be for the benefit of Detroit Thermal, its successors, and its assigns. The Customer may not assign this Agreement to another party without prior written consent of Detroit Thermal, which consent will not be unreasonably withheld. Detroit Thermal may assign this Agreement with the Customer's consent, not to be unreasonably withheld, to a purchaser or other transferee of all or substantially all of its thermal energy business or a successor operator of its thermal energy business provided that such purchaser, transferee or successor operator assumes Detroit Thermal's obligations under this Agreement. After such an assignment, Detroit Thermal shall have no liability or obligations to the Customer.

14. **SEVERABILITY.** The invalidity of all or any part of any sections, subsections, or paragraphs of this Agreement shall not invalidate the remainder of this Agreement or the remainder of any paragraph or section not invalidated unless the elimination of such subsections, sections, or paragraphs shall substantially defeat the intents and purposes of the parties.

15. **NOTICE.** Except as otherwise specifically provided for in this Agreement, all notices, statements, demands, or other communications required or permitted to be given hereunder shall be in writing and shall be hand delivered, sent by tele facsimile, or forwarded by courier (such as Federal Express) in each case against written receipt or confirmation, to the following addresses:

If to Detroit Thermal:

Detroit Thermal, LLC
Attention: Joe Haak – Vice President Finance
541 Madison Ave.
Detroit, MI 48226
Telephone: (313) 378-2858
Fax: (313) 963-7285

If to Customer:

c/o Bedrock Management Services, LLC
630 Woodward Avenue
Detroit, Michigan 48226
Attention: Howard N. Luckoff, Esq.

or to such other person or address as the addressee may have specified in a notice duly given as provided herein. All notices given in the foregoing manner shall be effective three (3) business days after mailing or one (1) business day after Courier delivery, hand delivery or by tele facsimile.

16. **CAPTIONS.** The paragraph headings are included solely for convenience and shall in no event affect, or be used in connection with, the interpretation of this Agreement and do not modify the provisions contained in the sections. If there are any disputes regarding the construction of this Agreement or any of its provisions, ambiguities or questions of interpretation will not be construed more in favor of one party than the other; rather, questions of interpretation will be construed equally as to each party.

17. **REPRESENTATION.** The parties represent and acknowledge that they have had full opportunity to seek the legal advice of the attorney of their choice and that they have read the terms of this Agreement and that its terms are fully understood and accepted by them.

18. **COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which shall be enforceable, and all of which together shall constitute one agreement. Detroit Thermal and the Customer may exchange PDF copies of executed counterparts to constitute one agreement

19. **APPROVAL.** This Agreement is explicitly conditioned upon approval in its original form by the MPSC.

[Signature Page to Steam Service Agreement
Dated October 10, 2017]

20. **CHOICE OF LAW.** This Agreement is subject to Michigan law, without regard to conflict-of-law principles.

DETROIT THERMAL, LLC

By: Steven A. White
Steven A. White
President and Chairman of the Board

Date: October 8, 2017

BEDROCK MANAGEMENT SERVICES LLC
as Agent for One Webward Avenue LLC, 660
Woodward Associates LLC, 611 Webward Avenue
Master Tenant LLC, 500 Webward LLC and 160 W
Fort LLC

KP By: Tamara L. Knapp
Its: Tamara L. Knapp, Chief Operating Officer

Date: October 10, 2017

EXHIBIT A

Exhibit A

Building Owners for Detroit Thermal, LLC Steam Service Agreement

The following are building owners/"Customer":

One Webward Avenue LLC

660 Woodward Associates LLC

611 Webward Avenue Master Tenant LLC

500 Webward LLC

160 W Fort LLC

EXHIBIT B

Original Copy

Detroit Thermal, LLC

Schedule Rates, Rules Regarding Sale of Steam In City of Detroit

MPSC #1

Issued: October 7, 2005
By: C. E. French
Detroit Thermal, LLC
541 Madison Ave.
Detroit, MI 48226

Effective for service rendered on and after
September 9, 2005.
Issued under authority of the
Michigan Public Service Commission
dated September 8, 2005
Case No. U-13691

DETROIT THERMAL, LLC
SCHEDULE OF RATES AND RULES
GOVERNING THE SALE OF STEAM
IN THE CITY OF DETROIT

Territory

The territory served by the steam system comprises an irregular strip in the center portion of the City of Detroit extending northward from the Detroit River approximately 3-1/4 miles, and varying, east and west of Woodward Avenue, from a width as narrow as one block to a width of about one mile at its widest part in the Downtown Business District.

Rules

All general rules, rates and contracts are subject to the approval of the Michigan Public Service Commission. Copies of the rules and rates for steam service as filed with and approved by the Michigan Public Service Commission (MPSC) are available at the Company's offices, 541 Madison Ave., Detroit, Michigan, 48226, for public inspection during regular business hours. The general rules or rates or charges may be revised, amended, supplemented or otherwise changed from time to time in accordance with approval of the MPSC, and such changes, when effective, shall have the same force as present general rules and rates and charges.

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Issued: October 11, 2016
By: J. Haak, Vice President
Detroit Renewable Energy LLC
5700 Russell Street
Detroit, MI 48211

Effective for service rendered on and after
the October 2016 billing month.
Issued under authority of the
Michigan Public Service Commission
dated October 11, 2016
Case No. U-18131

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Issued: August 3, 2017
By: J. Haak, Vice President
Detroit Renewable Energy LLC
5700 Russell Street
Detroit, MI 48211

Effective for service rendered on and after
the August 2017 billing month.
Issued under authority of the
Michigan Public Service Commission
dated July 31, 2017
Case No. U-18153

GENERAL RULES

1. APPLICATIONS

Application for service may be made at offices of the Company. If personal application is not convenient, the Company, in response to a request by mail or telephone, may provide service. However, the receipt of steam service shall bind the receiver as a customer of the Company subject to its general rules and rates and responsibility for the service used, whether such service is given under a signed agreement or not.

The Company reserves the right to reject application for service, or to place limitations on the amount and character of service, or to apply other charges if:

1. the use or pattern of steam consumption is unusual or of a peaking or backup nature, or
2. such service will adversely affect the steam service to existing customers, or
3. the cost of such service will involve excessive amounts of investment compared to revenue obtainable -therefrom, or
4. for any other good and sufficient reasons.

2. LIMITATIONS ON COMPANY REPRESENTATIVES

No representative of the Company has the authority to modify or change the general rules and rates or to bind the Company to any oral promises or representation contrary thereto. Any changes in general rules and rates for steam service must be mutually agreed upon by the customer and the Company and incorporated in written contract or rider.

3. APPLICATION OF STEAM SERVICE RATE SCHEDULE

The Steam Service Rate schedule is applicable to all customers that have not entered into a contract for steam service with the Company.

4. CHARACTER OF SERVICE

The Company will endeavor, but does not guarantee, to furnish continuous and adequate steam service, at minimum pressure of 10 pounds per square inch gauge. Service is subject to interruption by agreement, by accident, or by necessity of maintenance or system operation or other causes not under the control of the Company.

The Company will not be liable for damages, either direct or consequential, caused by any interruption of service or variation in steam pressure due to strike, accident, legal process or restriction, state or municipal interference, act of God, storm or flood, or other natural disasters or any cause whatsoever beyond its control except such as may result from failure of the Company to exercise reasonable care and skill in furnishing the service. The customer is advised to use its diligence to install and maintain suitable equipment if such occurrence might disrupt or damage its system operations, or equipment.

The customer must notify the Company, as soon as is possible, if its service is interrupted or is otherwise affected due to defects, leaks, trouble, accident, or any other cause.

(Continued on Sheet No. 6.00)

(Continued from Sheet No. 5.00)

5. SERVICE CONNECTION

The customer shall provide a sketch showing the size of the Company's service connection and the point in which the service will be brought for all buildings, which are to be connected to the Company steam service facilities, but such information does not constitute an agreement, or obligation, on the part of the Company to furnish service. In the case of a building having no basement, a pit for service connection must be provided by the customer when so indicated on the service sketch.

All meters and one service valve, on customer's property, and all service lines, on public property, will be furnished and maintained by and remain the property of Company.

The Company will furnish steam service pipe connections by the most convenient route from its steam service facilities to the customer's equipment.

The Company, upon request by prospective customers within the established service area, may make extensions of its steam distribution facilities at its own expense provided the extension will not require an investment out of proportion to the revenue obtainable therefrom.

The customers are prohibited from making any unauthorized connection to the Company's steam service facilities and/or from making use of service without authority. Any customer found to be using service without notifying the Company will be liable for charges estimated or calculated by the Company according to the information available. Furthermore, the service will be subjected to immediate discontinuance, without notice until the obligations of the Company are met.

6. CUSTOMER'S EQUIPMENT

With the exception of Company owned steam service facilities, all of the steam system within the customer's property line is the property of the customer who shall have sole responsibility for its safe installation, maintenance, and operation. The Company may furnish a primary pressure reducing valve if, in the Company's opinion, main pressure at that location of the steam system warrants such an installation.

The customer shall notify the Company of any changes in its system, which may affect its use of, or metering of, service. The Company has the right to seal any of the customer's equipment. No such seal shall be broken without the consent of the Company.

The Company reserves the right to refuse supply of service if, in its opinion:

- (a) the customer has installed defective equipment, or
- (b) the customer's equipment does not comply with the Company's rules and regulations defined herein, and City of Detroit and any other applicable safety standards, or
- (c) the customer's equipment is in violation of the Company's standard requirements, or
- (d) the customer's equipment might injuriously affect the equipment of the Company or as determined by the Company or in the opinion of the Company adversely affect Company's service to other customers.

(Continued on Sheet No. 7.00)

(Continued from Sheet No. 6.00)

7. OPERATION OF CUSTOMER'S EQUIPMENT

The customer is responsible for the operation of its system. Any abnormal operation which results in increased steam consumption or additional charges is not the fault of the Company. The steam service valve, which is furnished by the Company, and may be located in the customer's building, is intended for use by the Company and not by the customer. The customer shall install and operate its own shut-off valve.

It is the customer's responsibility to maintain its system so that steam does not reach the condensate meter, if this type of meter is used. The Company will maintain the customer's master steam trap in the condensate line for protection of its meter.

Although the Company is available to assist the customer in planning its system and selection of equipment, it is the customer's responsibility to make the final selection and installation, of its system.

It shall be the responsibility of the customer to notify the Company as soon as possible and repair, as soon as possible, any water or condensate leaks which would cause a condensate meter to register high or low, and to repair, within 10 days, any valve leak on a shuntflow meter system which would cause the meter to register low.

Emergency Service to shut off the steam service is available without charge. Minor adjustments to the customer's system will be made at a charge sufficient to cover the Company's cost of providing this service, but not less than \$60.00 during regular working hours, or \$100.00 outside regular working hours. List price will be charged for materials. No major alterations, installations, or repairs will be made by the Company without a prior written agreement between the Company and the customer.

8. COMPANY EQUIPMENT ON CUSTOMER'S PROPERTY

The Company will keep in repair and maintain its own property installed on the premises of the customer. All equipment supplied by the Company shall remain its exclusive property, and the Company shall have the right to remove the same from the premises of the customer at any time.

The customer shall be responsible for the safekeeping of the Company's property and shall not permit any person except an authorized Company representative to break any seals or do any work on any meter or other apparatus of the Company located on the customer's premises.

In the event it is found that the Company's equipment is being tampered or interfered with, the customer, being supplied through such equipment, will be liable for the amount which the Company estimates is due for service but not registered on the Company's meter, and for any repairs or replacements required along with the costs of inspections, investigations and protective installations. The Company may also, at its option, disconnect the service if such abuses occur.

9. RIGHT OF ACCESS TO CUSTOMER'S PROPERTY

As a condition of taking service, authorized employees and agents of the Company shall have access to the customer's property at all reasonable hours to install, inspect, read, repair, or remove the Company's

(Continued on Sheet No. 8.00)

(Continued from Sheet No. 7.00)

meters, and to install, operate, and maintain other Company property, and to determine the connected steam load, and to inspect if any unmetered service is being used. Failure to provide access for any of the above reasons may result in termination of service. Such right of access shall not be deemed to impose any duty upon the Company regarding the property of the customer.

Authorized Company employees and agents shall carry identification furnished by the Company and shall display it upon request.

10. CREDIT REQUIREMENTS

The Company may require the customer to make a reasonable cash deposit at any time to secure the prompt payment of the bills. The Company will pay interest on such deposits for the time the deposit is held by the Company and service is taken by the customer.

If at any time the Company deems any cash deposit to be inadequate, the customer may be required to make an additional deposit. Such deposits may be used to satisfy any unpaid balance on a closed account, but will not be applied to bills owing on an active account. Any remaining balance of a deposit and accrued interest will be returned to the customer upon termination of its service.

11. BILLING FOR SERVICE

Bills for service are rendered monthly. Meters will be read on a monthly basis on approximately the same day each month. Readings may be estimated when conditions warrant. Bills rendered on estimated readings have the same force and effect as bills rendered on meter readings. The Company may bill its customers in accordance with the Levelized Billing option at the election of the customer and approval by the Company.

12. ALTERNATE BILLING PLANS

- A. Levelized Billing Plans.** For customers whose usage varies greatly from season to season, the Company offers a levelized billing payment option. Levelized billing will spread monthly payments evenly over a projected 12-month period based on the previous 12 months actual usage. Customers with less than 12 months of billing history will not be eligible.
- B. Customized Billing Plans.** For customers whose business operations result in variations in monthly revenues that do not correspond with steam usage, or present other unique circumstances, the Company may, upon request, devise a customized billing or payment plan. Any such plan shall be at the sole discretion of the Company.

13. PAYMENT FOR SERVICE

The customer is responsible for payment of all bills for service used until service is ordered disconnected and the Company has had reasonable time to secure a final meter reading. The Company will permit each customer at least 21 calendar days from the date of mailing of each bill for payment in full. Payment after due date will result in assessment of a late payment charge as specified in Rule 15. If customer's service is disconnected for any reason other than the customer's order to disconnect, the customer is responsible for payment of all outstanding bills for service.

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(Continued from Sheet No. 8.00)

14. INFORMATION ON BILLS

Every bill rendered by the Company for metered steam service will state clearly:

- (a) The beginning and ending meter readings of the billing period and the dates thereof.
- (b) The due date.
- (c) Any previous balance.
- (d) The amount due for steam usage.
- (e) The amount due for other authorized charges.
- (f) The total amount due.
- (g) The number and kinds of units and rate code.

15. LATE PAYMENT CHARGE

A one-time late payment charge of 1 1/2% will be assessed upon the unpaid balance of any bill rendered for energy use or other approved rates and tariffs outstanding beyond the due date.

16. DISCONNECTION OF SERVICE

The Company reserves the right to refuse or to discontinue its service for any of the following reasons:

- (a) For non-payment of bills provided the bill remains unpaid ten (10) days after the bill due date and after at least five (5) days written notice has been given the customer. The bill due dates shall be a minimum of 21 calendar days from the date of physical mailing of the bill.
- (b) For failure of the customer to fulfill his contractual obligations for service or facilities furnished by the Company.
- (c) For failure to provide a surety deposit as required by the Company.
- (d) Without notice in the event of unauthorized use of service or tampering with the equipment owned by the Company.
- (e) For non-compliance with any rule established by the Company and filed with and approved by the Commission.
- (f) For failure of the customer to furnish and install the corrective equipment reasonably necessary in the judgment of the Company to eliminate interference where the customer's use of service interferes with the satisfactory operation of facilities of the Company, or any of its other customers, or of other public utility companies.

17. RECONNECTION AND TURN-ON CHARGES

Customers who desire the Company to turn off their service for the summer and turn it on in the fall will be charged \$60.00 during regular working hours, or \$100.00 outside regular working hours, for each service call in addition to the monthly minimum charge, if applicable. A charge of \$60.00 during regular working hours, or \$100.00 outside regular working hours, will be assessed for restoration of service discontinued for non-payment or any other breach of the Company rules. Whenever it is necessary to disconnect and restore service that has been cut at the street main - for non-payment, breach of Company rules, or at the

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(Continued from Sheet No. 9.00)

request of the customer - the charge will be sufficient to cover the costs incurred by the Company in cutting and restoring service, but not less than \$60.00 during regular working hours, or \$100.00 outside regular working hours.

18. SINGLE POINT SUPPLY

The rates are based upon the supply of service through a single supply and metering point for the total requirement at each separate premises of the customer. Separate supply for the same customer at other points of use shall be separately metered and billed.

19. EXCEPTIONAL CASES

The usual supply of steam service shall be subject to the provisions of MPSC, but where special service-supply conditions or problems arise for which provision is not otherwise made, the Company may modify or adapt its supply terms and application of the rates to meet the peculiar requirements of such case, provided that such modified terms are a rational expansion of standard provisions herein.

20. NO PREJUDICE OF RIGHTS

The failure by the Company to enforce any of the terms of MPSC or the schedule of rates shall not be deemed a waiver of its right to do so.

21. RETURN OF CONDENSATE

At the option of the Company, the condensate shall be required to be returned to the Company's boiler plan or become the property of the customer.

METERING AND METERING EQUIPMENT

22. GENERAL

The quantity of steam used shall be determined by condensate meters, flow-meters, or other suitable devices. When condensate meters are employed to determine the quantity of steam used, they shall be placed as near as practical to the point of discharge from the building. The condensation from all steam supplied and used shall be passed through such meter. When flow meters are used, they should be placed as near as practical, to the point of the steam service. The customer shall not interfere with the normal flow of condensate through the heating system to the condensate meter, where such meter is used, or to the flow of steam through the flow meter. If any action by the customer or failure of its equipment results in improper metering, the Company shall prepare an estimate of the service used and bill the customer on that estimate. The estimate shall not be for less consumption than was registered on the meter for a similar period under normal conditions.

The meter, or any metering equipment, will be of commercially acceptable quality and will be furnished and maintained by the Company. The Company may, at any time, change or alter the meter or metering equipment to ensure that the steam supply is accurately measured or recorded.

23. MULTIPLIERS AND CONSTANTS

1. For chart recorders, the multiplier shall be marked on the chart.
2. For meters with registers, the multiplier shall be affixed to the meter nameplate or register.

24. ACCURACY OF METERING OR METERING EQUIPMENT

All meters shall be accurate to $100\% \pm 2.0\%$ registration. The accuracy of all steam meters used for high pressure industrial customers shall be $100\% \pm 2.0\%$ unless otherwise specified in a contract between the customer and the Company.

25. ACCURACY OF DEMAND METERS

A demand meter, demand register, or demand attachment used to measure customer's service will:

- (a) Be in a good operating condition.
- (b) Have proper constants, indicating scales, contact device, recording tape or chart, and resetting device.
- (c) Not register at no load.
- (d) Be accurate to $100\% \pm 2\%$ registration.

26. PORTABLE INDICATING INSTRUMENTS

All portable indicating instruments used for determining quality of service to customers, or for billing purposes, such as pressure gauges, potentiometers, temperature gauges, recorders, etc., will be checked for accuracy of $100\% \pm 2\%$ against suitable secondary reference standards at least once in each year or

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(Continued from Sheet No. 11.00)

more frequently if the instrument has been damaged or its accuracy is questioned. A history and calibration record will be kept for each such instrument.

27. TESTING EQUIPMENT

- (a) The Company will maintain sufficient laboratories, meter testing shops, secondary standards, instruments, and facilities to determine the accuracy of all types of meters and metering equipment used by the Company. The Company may, if necessary, have all or part of the required tests made or its portable testing equipment checked by another utility or agency approved by the Michigan Public Service Commission, having adequate and sufficient testing equipment to comply, with these rules.
- (b) The following testing equipment constitutes minimum requirements which will be kept available by the Company:
 - 1. Portable indicating instruments of such various types as are required to determine the accuracy of all instruments used by the Company.
 - 2. Suitable standards which are not used for field work to check portable instruments used in testing.
- (c) The Company will provide and use primary standards consisting of precision instruments, timing devices, potentiometers, weight measures, pressure gauges, etc.

28. ACCURACY OF TEST STANDARDS

- (a) The accuracies of all primary reference standards will be certified as traceable to the National Bureau of Standards, either directly or through other recognized standards laboratories. These standards will be certified at the time of purchase and at subsequent intervals.
- (b) Secondary standard indicating instruments will be of suitable accuracy to check or calibrate portable indicating instruments. The secondary standard will be on an appropriate calibration schedule not to exceed twelve months. Calibration and history records will be kept for each standard.
- (c) For parts (a) and (b) the accuracy requirements and test schedule will be determined by accepted good metering practices as described in publication of recognized organizations such as National Bureau of Standards (NBS) and the American National Standards Institute (ANSI).
- (d) Working portable standards, when regularly used, will be compared with a secondary standard at least once a month. Working standards infrequently used will be compared with a secondary standard before they are used.
- (e) The meter accuracies herein required as to all primary, secondary, and working standards will be referred to 100%. Service measuring equipment will be adjusted to within the accuracies required assuming the portable test equipment to be 100% accurate.

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(Continued from Sheet No. 12.00)

29. TESTING OF METERING EQUIPMENT

1. Demand Meters will be tested for accuracy:
 - (a) before the meter is placed in service.
 - (b) after 2 years of service, if they are of the recording type, but it is not required if they are of the pulse operated type and the demand reading is checked against the steam meter reading each billing cycle.
 - (c) when they are suspected of being inaccurate or damaged.
 - (d) when the accuracy is questioned by a customer.
2. Condensate Meters and Flow Meters will be tested for accuracy:
 - (a) before the meter is placed in service.
 - (b) on a regular test schedule.
 - (c) when they are suspected of being inaccurate or damaged.
 - (d) when the accuracy is questioned by the customer.
 - (e) when deemed appropriate by the Company.
3. The test of any unit of metering equipment will consist of a comparison of its accuracy with a standard of known accuracy. Units not properly connected or not meeting the accuracy or other requirements of these meter and metering equipment rules at the time of the test will be reconnected and rebuilt to meet such requirements and adjusted to within the required accuracy and as close to 100% accurate as practical or their use discontinued.
4. The Company will make a test of any metering installation upon request of the customer if 12 months or more have elapsed since the last test of the meter in the same location. The test will consist of a test for accuracy, a check of the register, and a check of the meter connections on the customer's premises.

30. METERING EQUIPMENT RECORDS

1. A complete record of the most recent test of all metering equipment will be maintained. This record will show information to identify the unit and its location; equipment with which the device is associated; the date of test; reason for the test; readings before and after the test; a statement of "as found" and "as left" accuracies sufficiently complete to permit checking of the calculations employed; indications showing that all required checks have been made; a statement of repairs made, if any, and identification of the testing standards and the person making the test.
2. The Company will keep a record of each unit of metering equipment showing when the unit was purchased; its cost; the Company's identification; associated equipment, essential nameplate data, date of the last test, the results and location where installed with dates of installation and removal.

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31. DETERMINATION OF AVERAGE METER ERRORS

Whenever a meter is found upon any test to have an error of more than 2.0% fast, or 4.0% slow, an adjustment of the bills rendered during the period of inaccuracy shall be made in cases of over-registration, and may be made in the case of under registration.

1. If the date when the error in registration began can be determined, such date shall be the starting point for determination of the amount of the adjustment.
2. If the date when the error in registration began cannot be determined, it shall be assumed that the error has existed for a period equal to one-half the time lapsed since the meter was installed, or the last test, whichever is later.
3. Recalculation of bills shall be on the basis of actual monthly consumption.
4. When the error cannot be determined by test, because of failure of part or all of the metering equipment, the adjustment should be estimated on registration of check metering installations or other available data.

32. A METER BYPASS SYSTEM

A meter bypass system shall be installed on the customer's premises for the purpose of permitting the Company removal of the steam meter for testing or other purposes. This bypass system shall be customer owned and maintained. When the meter bypass system is in use, customer shall allow the Company to have access to use information for billing purposes for the period when primary metering is unavailable.

STEAM SERVICE RATE SCHEDULES

33. General

Rate Classes

The Company has four Steam Service rate classes; the Small Volume (SV) rate class, the Medium Volume (MV) rate class, the Large Volume (LV) rate class and the Extra-Large Volume (XLV) rate class.

Rate Class Selection

Each Customer shall be assigned an applicable rate class based on that Customer's Average Annual Steam Consumption. A Customer's Average Annual Steam Consumption shall be determined by calculating the simple average of the Customer's prior thirty-six (36) months of steam consumption. A Customer must remain in the assigned rate class for a period of twelve (12) months. Prior to the conclusion of the twelve (12) month period, the Company shall recalculate the Customer's Average Annual Steam Consumption.

If a Customer does not have thirty-six (36) months of prior steam consumption history, then the Company shall estimate that Customer's Average Annual Steam Consumption. Until a Customer accumulates thirty-six (36) months of steam consumption history, the Company may re-estimate the Customer's Average Annual Steam Consumption based upon then currently available data and re-assign the Customer to the appropriate rate class based upon the revised estimate.

Rules Applicable

Service under all Rate Classes shall be subject to the Rules and Regulations of the Company.

Character of Service

See General Rules, Rule 4.

Metering

See Metering and Metering Equipment, Rules 22-32.

Late Payment Charge

See General Rules, Rule 15.

Taxes

All taxes levied by the City, County, State, or Federal governmental agencies on the sale of steam, including but not limited to the State of Michigan Sales Tax and the City of Detroit Utility Users Tax, will be added to the total cost of steam delivered.

33.1 Small Volume (SV) Service Rate

Availability of Service

Subject to limitations and restrictions contained in orders of the MPSC in effect from time to time and in the Rules and Regulations of Company, steam service under the Small Volume rate schedule is available to any Customer that:

- (i) is located on the Company's existing steam distribution system having adequate capacity and suitable pressure to serve the service address;
- (ii) has an Average Annual Steam Consumption less than or equal to Ten Thousand (10,000) Mlbs.; and
- (iii) has not entered into a special contract for steam service with the Company.

Small Volume Steam Service Rate

The Small Volume Steam Service Rate charged for each month for steam delivered pursuant to the Small Volume Service rate class shall be equal to the sum of the Small Volume Base Rate set forth below and the Actual Steam Supply Cost Recovery ("SSCR") Factor billed for the corresponding month as set forth in Table 34.1 plus any applicable taxes.

Small Volume Base Rate

Small Volume Base Rate: \$18.84 per 1,000 pounds of steam (Mlb).

Steam Supply Cost Recovery Charge

The Small Volume Service Rate is subject to adjustment for fluctuations in the cost of steam supply as stated in Rule 35 of the applicable Rules and Regulations of Company. The Steam Supply Cost Recovery Factors are shown on Sheet No. 16.00. The Steam Supply Cost Recovery Factors are subject to further adjustment pursuant to the Quarterly Steam Supply Cost Recovery Factor Price Adjustment (Contingency) Mechanism. See Steam Service Rate Schedule, Rule 34.

33.2 Medium Volume (MV) Service Rate

Availability of Service

Subject to limitations and restrictions contained in orders of the MPSC in effect from time to time and in the Rules and Regulations of Company, steam service under the Medium Volume rate schedule is available to any Customer that:

- (i) is located on the Company's existing steam distribution system having adequate capacity and suitable pressure to serve the service address;
- (ii) has an Average Annual Steam Consumption greater than Ten Thousand (10,000) Mlbs. but less than or equal to Fifty Thousand (50,000) Mlbs.; and
- (iii) has not entered into a special contract for steam service with the Company.

Medium Volume Steam Service Rate

The Medium Volume Steam Service Rate charged for each month for steam delivered pursuant to the Medium Volume Service rate class shall be equal to the sum of the Medium Volume Base Rate set forth below and the Actual Steam Supply Cost Recovery ("SSCR") Factor billed for the corresponding month as set forth in Table 34.1 plus any applicable taxes.

Medium Volume Base Rate

Medium Volume Base Rate: \$15.59 per 1,000 pounds of steam (Mlb).

Steam Supply Cost Recovery Charge

The Medium Volume Service Rate is subject to adjustment for fluctuations in the cost of steam supply as stated in Rule 35 of the applicable Rules and Regulations of Company. The Steam Supply Cost Recovery Factors are shown on Sheet No. 16.00. The Steam Supply Cost Recovery Factors are subject to further adjustment pursuant to the Quarterly Steam Supply Cost Recovery Factor Price Adjustment (Contingency) Mechanism. See Steam Service Rate Schedule, Rule 34.

33.3 Large Volume (LV) Service Rate

Availability of Service

Subject to limitations and restrictions contained in orders of the MPSC in effect from time to time and in the Rules and Regulations of Company, steam service under the Large Volume rate schedule is available to any Customer that:

- (i) is located on the Company's existing steam distribution system having adequate capacity and suitable pressure to serve the service address;
- (ii) has an Average Annual Steam Consumption greater than Fifty Thousand (50,000) Mlbs. but less than or equal to One Hundred Thirty-Five Thousand (135,000) Mlbs.; and
- (iii) has not entered into a special contract for steam service with the Company.

Large Volume Steam Service Rate

The Large Volume Steam Service Rate charged for each month for steam delivered pursuant to the Large Volume Service rate class shall be equal to the sum of the Large Volume Base Rate set forth below and the Actual Steam Supply Cost Recovery ("SSCR") Factor billed for the corresponding month as set forth in Table 34.1 plus any applicable taxes.

Large Volume Base Rate

Large Volume Base Rate: \$12.09 per 1,000 pounds of steam (Mlb).

Steam Supply Cost Recovery Charge

The Large Volume Service Rate is subject to adjustment for fluctuations in the cost of steam supply as stated in Rule 35 of the applicable Rules and Regulations of Company. The Steam Supply Cost Recovery Factors are shown on Sheet No. 16.00. The Steam Supply Cost Recovery Factors are subject to further adjustment pursuant to the Quarterly Steam Supply Cost Recovery Factor Price Adjustment (Contingency) Mechanism. See Steam Service Rate Schedule, Rule 34.

33.4 Extra-Large Volume (XLV) Service Rate

Availability of Service

Subject to limitations and restrictions contained in orders of the MPSC in effect from time to time and in the Rules and Regulations of Company, steam service under the Extra-Large Volume rate schedule is available to any Customer that:

- (i) is located on the Company's existing steam distribution system having adequate capacity and suitable pressure to serve the service address;
- (ii) has an Average Annual Steam Consumption greater than One Hundred Thirty-Five Thousand (135,000) Mlbs.; and
- (iii) has not entered into a special contract for steam service with the Company.

Extra-Large Volume Steam Service Rate

The Extra-Large Volume Steam Service Rate charged for each month for steam delivered pursuant to the Extra-Large Volume Service rate class shall be equal to the sum of the Extra-Large Volume Base Rate set forth below and the Actual Steam Supply Cost Recovery ("SSCR") Factor billed for the corresponding month as set forth in Table 34.1 plus any applicable taxes.

Extra-Large Volume Base Rate

Extra-Large Volume Base Rate: \$6.09 per 1,000 pounds of steam (Mlb).

Steam Supply Cost Recovery Charge

The Extra-Large Volume Service Rate is subject to adjustment for fluctuations in the cost of steam supply as stated in Rule 35 of the applicable Rules and Regulations of Company. The Steam Supply Cost Recovery Factors are shown on Sheet No. 16.00. The Steam Supply Cost Recovery Factors are subject to further adjustment pursuant to the Quarterly Steam Supply Cost Recovery Factor Price Adjustment (Contingency) Mechanism. See Steam Service Rate Schedule, Rule 34.

Issued: October 11, 2016
By: J. Haak, Vice President
Detroit Renewable Energy LLC
5700 Russell Street
Detroit, MI 48211

Effective for service rendered on and after
the October 2016 billing month.
Issued under authority of the
Michigan Public Service Commission
dated October 11, 2016
Case No. U-18131

34. Steam Supply Cost Recovery Factors

The listed monthly Steam Supply Cost Recovery ("SSCR") factors are authorized pursuant to the Steam Supply Cost Recovery Clause, Rule 35.

Table 34.1

Month	Year	Base SSCR Factor \$/Mlb.	+	Incremental Contingent SSCR Factor \$/Mlb.	=	Maximum Allowable SSCR Factor \$/Mlb.	Actual SSCR Factor Billed \$/Mlb.
April	2017	\$ 13.66	+	\$ -	=	\$ 13.66	\$ 13.66
May	2017	\$ 13.66	+	\$ -	=	\$ 13.66	\$ 13.66
June	2017	\$ 13.66	+	\$ -	=	\$ 13.66	\$ 13.66
July	2017	\$ 13.66	+	\$ -	=	\$ 13.66	\$ 13.66
August	2017	\$ 13.66	+	\$ -	=	\$ 13.66	\$ 13.66
September	2017	\$ 13.66	+	\$ -	=	\$ 13.66	\$ 13.66
October	2017	\$ 13.66	+	\$ -	=	\$ 13.66	\$ 13.66
November	2017	\$ 13.66	+	\$ -	=	\$ 13.66	\$ -
December	2017	\$ 13.66	+	\$ -	=	\$ 13.66	\$ -
January	2018	\$ 13.66	+	\$ -	=	\$ 13.66	\$ -
February	2018	\$ 13.66	+	\$ -	=	\$ 13.66	\$ -
March	2018	\$ 13.66	+	\$ -	=	\$ 13.66	\$ -

The Actual SSCR Factor Billed shall not exceed the Maximum Allowable SSCR Factor for the corresponding month. During any month of the SSCR Plan Year, the Company may elect to bill any SSCR factor equal to or less than the Maximum Allowable SSCR Factor for the corresponding month. The Maximum Allowable SSCR Factor for each month is calculated by summing the Base SSCR Factor and the Incremental Contingent SSCR Factor, if any, for the corresponding month.

The Base SSCR Factors listed in Table 34.1 contain a (\$0.00) per Mlb. under-recovery surcharge applicable from prior SSCR plan periods.

The listed SSCR factors are authorized pursuant to Rule No. 35; Steam Supply Cost Recovery Clause. The SSCR Factors are subject to adjustment pursuant to the Quarterly SSCR Factor Price Adjustment (Contingency) Mechanism as shown on Sheet Nos. 19.00 and 20.00. Sheet No. 16.00 will be updated if adjustments are made pursuant to this mechanism. The Commission is authorized to approve SSCR price adjustments contingent on future events pursuant to Section 6r(6) of 2008 PA 132.

The Company will file an application with the MPSC for SSCR factors applicable to the April 2018 through March 2019 period on or before December 31, 2017 pursuant to MCL 460.6r.

The Company will file a revised Sheet No. 16.00 at least three (3) business days prior to the commencement of each month.

(Continued on Sheet No. 17.00)

Issued: September 22, 2017
By: J. Haak, Vice President
Detroit Renewable Energy LLC
5700 Russell Street
Detroit, MI 48211

Effective for service rendered on and after
the October 2017 billing month.
Issued under authority of the
Michigan Public Service Commission
dated July 31, 2017
Case No. U-18153

(Continued from Sheet No. 16.00)

The Incremental Contingent SSCR Factor to be used in calculating the Company's Maximum Allowable SSCR Factor is determined as follows: (i) calculate the NYMEX Price Increase using the formula on Sheet 19.00, and (ii) locate the Incremental Contingent SSCR Factor for the corresponding quarter of the SSCR Plan period and NYMEX Price Increase in Table 35.1 on Sheet No. 20.00. The applicable Incremental Contingent SSCR Factor is then added to the Company's Base SSCR Factor to calculate the SSCR Factor Ceiling for the remainder of the SSCR Plan period, unless a subsequent NYMEX Price Increase results in the application of a higher Incremental Contingent SSCR Factor in succeeding quarters of the SSCR Plan year.

35. Steam Supply Cost Recovery ("SSCR") Clause

a. Applicability of Clause

All rates for steam service, unless otherwise provided in the applicable Rate Schedule, shall include a monthly Steam Supply Cost Recovery ("SSCR") Factor to allow the Company to recover the Booked Cost of Steam sold by Company.

b. Booked Cost of Steam

- (1) Booked cost of steam, as used in this Rule, includes the following as expensed on the books of the Company.
 - a. Retail Gas Purchases: All Costs for gas service including customer charges, distribution charges, and gas cost recovery factor.
 - b. Wholesale Gas Purchases: Costs for gas purchases including the contract cost of gas, transportation fuel, pipeline transportation fees, and any local transportation or distribution fees.
 - c. Storage Gas Charges: Cost of gas, fuel, gas injection fees, withdrawal fees, and associated transportation fees.
 - d. Hedging: The cost of Commission approved financial hedging instruments such as futures and options, including premiums, settlement gains and losses, and commodity exchange and administration fees.
 - e. Steam Purchases: All costs for steam purchases including customer charges, distribution charges, and associated transportation fees.
 - f. Other fuel purchases: Costs for other fuel purchases including but not limited to any costs for: coal, wood, garbage, tires, waste oil, fuel oil or other materials used as a fuel for the production of steam, and all customer charges, distribution charges, and associated transportation and storage fees.

(Continued on Sheet No. 18.00)

(Continued from Sheet No. 17.00)

(2) Booked cost of steam, as used in this rule, specifically excludes the following items:

- a. Natural gas used by the Company for purposes other than producing or distributing steam at the annual average booked cost of gas purchased.
- b. Steam used by the Company for purposes other than producing or distributing steam at the annual average booked cost of steam sold.
- c. Other fuels used by the Company for purposes other than producing or distributing steam.
- d. Contract, tariff and other penalties, unless the Customers of the Company benefit as a result of payment of such penalties.

c. Billing

- (1) In applying the SSCR Factor, per Mlb., any fraction of \$0.01 shall be rounded to the nearest \$0.01.
- (2) Each month the Company shall include in its rates a SSCR factor up to the Maximum Allowable SSCR Factor authorized by the Commission as shown on Sheet No. 16.00.
- (3) The SSCR Factor shall be the same per Mlb. for each billed tariff customer. The factor shall be placed into effect in the first billing cycle of each monthly billing period and shall continue in effect throughout all cycles in each monthly billing period.
- (4) The SSCR Factor shall appear on all tariff customer bills.

d. General Conditions

- (1) At least three (3) business days prior to the commencement of the first billing cycle for the corresponding month, the Company shall give the MPSC Staff written notice of the actual factor to be billed to its customers.
- (2) This Steam Supply Cost Recovery Clause is authorized by the provisions of 2008 P.A. 132. A copy of that Act is available for public inspection at the business office of the Company. The Company will provide a copy of the Act to any customer upon request.

(Continued on Sheet No. 19.00)

(Continued from Sheet No. 18.00)

e. Quarterly SSCR Factor Price Adjustment (Contingency) Mechanism

The SSCR Factors listed in Steam Rate Schedule, Rule 34, Sheet No. 16.00, may be increased on a quarterly basis for the remaining months of the SSCR Plan year, contingent upon a NYMEX Price Increase. A NYMEX Price Increase is calculated using the following formula:

$$\text{NYMEX Price Increase} = (\bar{X} - \bar{X}_{plan})$$

- \bar{X} = the simple average of the actual NYMEX monthly natural gas futures contract prices, (\$/MMBtu), for the remaining months of the SSCR Plan period (averaged over the first five trading days of the month prior to implementation).
- \bar{X}_{plan} = the simple average of the natural gas futures prices incorporated in the calculation of the SSCR Plan for the remaining months of the SSCR Plan period. The averages for each quarter of the SSCR Plan year are listed at the top of the table on Sheet No. 20.00.

Prior to the beginning of each quarter the Company shall file a notice with the MPSC identifying the Incremental Contingent SSCR Factor to be included in the calculation of the Company's SSCR Factor Ceiling. See Steam Rate Schedule, Rule 34. The filing shall include all supporting documents necessary to verify the Incremental Contingent SSCR Factor, including the calculation of the five-day average of the NYMEX strip for the remaining months of the SSCR Plan year, and a copy of the published NYMEX futures price sheets for the first five trading days of the applicable month, such sheets being an authoritative source used by the gas industry.

(Continued on Sheet No. 20.00)

(Continued from Sheet No. 19.00)

The Incremental Contingent SSCR Factors set forth in Table 35.1 are authorized for the SSCR Plan Year beginning on April 1, 2017 and ending on March 31, 2018:

Table 35.1					
		Apr-Mar 1st Q	Jul-Mar 2nd Q	Oct-Mar 3rd Q	Jan-Mar 4th Q
Per NYMEX (X_{per})		\$ 3,4760	\$ 3,4989	\$ 3,5405	\$ 3,5947
NYMEX Price Increase $X - X_{per-1}$		SSCR Contingency Conversion Factors (MMBtu) / (Mlb)			
		0.731	0.747	0.734	0.719
Greater than or Equal to	But Less than	Incremental Contingent SSCR Factors in \$ per Mlb			
\$0.00	\$0.10	\$ -	\$ -	\$ -	\$ -
\$0.10	\$0.20	\$ 0.073	\$ 0.072	\$ 0.073	\$ 0.072
\$0.20	\$0.30	\$ 0.146	\$ 0.143	\$ 0.147	\$ 0.144
\$0.30	\$0.40	\$ 0.219	\$ 0.215	\$ 0.220	\$ 0.216
\$0.40	\$0.50	\$ 0.292	\$ 0.287	\$ 0.294	\$ 0.288
\$0.50	\$0.60	\$ 0.365	\$ 0.359	\$ 0.367	\$ 0.360
\$0.60	\$0.70	\$ 0.438	\$ 0.430	\$ 0.441	\$ 0.432
\$0.70	\$0.80	\$ 0.511	\$ 0.502	\$ 0.514	\$ 0.503
\$0.80	\$0.90	\$ 0.584	\$ 0.574	\$ 0.587	\$ 0.575
\$0.90	\$1.00	\$ 0.658	\$ 0.645	\$ 0.661	\$ 0.647
\$1.00	\$1.10	\$ 0.731	\$ 0.717	\$ 0.734	\$ 0.719
\$1.10	\$1.20	\$ 0.804	\$ 0.789	\$ 0.808	\$ 0.791
\$1.20	\$1.30	\$ 0.877	\$ 0.860	\$ 0.881	\$ 0.863
\$1.30	\$1.40	\$ 0.950	\$ 0.932	\$ 0.955	\$ 0.935
\$1.40	\$1.50	\$ 1.023	\$ 1.004	\$ 1.028	\$ 1.007
\$1.50	\$1.60	\$ 1.096	\$ 1.076	\$ 1.102	\$ 1.079
\$1.60	\$1.70	\$ 1.169	\$ 1.147	\$ 1.175	\$ 1.151
\$1.70	\$1.80	\$ 1.242	\$ 1.219	\$ 1.248	\$ 1.223
\$1.80	\$1.90	\$ 1.315	\$ 1.291	\$ 1.322	\$ 1.295
\$1.90	\$2.00	\$ 1.388	\$ 1.362	\$ 1.395	\$ 1.366
\$2.00	\$2.10	\$ 1.461	\$ 1.434	\$ 1.469	\$ 1.438
\$2.10	\$2.20	\$ 1.534	\$ 1.506	\$ 1.542	\$ 1.510
\$2.20	\$2.30	\$ 1.607	\$ 1.578	\$ 1.616	\$ 1.582
\$2.30	\$2.40	\$ 1.680	\$ 1.649	\$ 1.689	\$ 1.654
\$2.40	\$2.50	\$ 1.753	\$ 1.721	\$ 1.762	\$ 1.726
\$2.50	\$2.60	\$ 1.827	\$ 1.793	\$ 1.836	\$ 1.798
\$2.60	\$2.70	\$ 1.900	\$ 1.864	\$ 1.909	\$ 1.870
\$2.70	\$2.80	\$ 1.973	\$ 1.936	\$ 1.983	\$ 1.942
\$2.80	\$2.90	\$ 2.046	\$ 2.008	\$ 2.056	\$ 2.014
\$2.90	\$3.00	\$ 2.119	\$ 2.080	\$ 2.130	\$ 2.086

(Continued on Sheet No. 21.00)

Issued: August 3, 2017
By: J. Haak, Vice President
Detroit Renewable Energy LLC
5700 Russell Street
Detroit, MI 48211

Effective for service rendered on and after
the August 2017 billing month.
Issued under authority of the
Michigan Public Service Commission
dated July 31, 2017
Case No. U-18153

(Continued from Sheet No. 20.00)

f. Standard Procedures for SSCR Over/Under Recoveries

(1) Applicability of Steam Supply Cost Recovery Clause Standard Refund Procedures

SSCR Over/Under Recoveries by the Company arising from the annual SSCR Reconciliation shall be reported in accordance with the provisions of the 2008 PA 132.

(2) Over and Under Recoveries

Any SSCR over-recoveries and Commission-ordered disallowances associated with a prior SSCR period shall be subtracted from the Company's projected Steam Supply Costs in the calculation of the Company's SSCR Factor in subsequent SSCR period(s) in accordance with Section 6r(13) of 2008 PA 132.

Any SSCR under-recoveries associated with a prior SSCR period (including any estimated under-recoveries) shall be added to the Company's projected Steam Supply Costs in the calculation of the Company's SSCR Factor in subsequent SSCR period(s) in accordance with Section 6r(14) of 2008 PA 132.

36. Standard Refund Procedures for Steam Supply Cost Recovery and Supplier Refunds

a. Receipt of Refunds by the Company

(1) Supplier Refunds

By April 15 of each year, the Company shall notify the Commission Staff of any supplier refunds (other than a routine billing adjustment) received during the prior twelve months ended March 31. The notification shall be in the form of a letter, and include:

- (a) The amount of each refund, including interest.
- (b) The date each refund was received.
- (c) The source and reason for each refund.
- (d) The period covered by each refund (historical period).

Additionally, if any portion of any refunds is properly allocable to non-SSCR customers, this amount, along with any calculations of deductions, shall also be included in the written notification.

(Continued on Sheet No. 22.00)

(Continued from Sheet No. 21.00)

Failure of the Company to report to the Commission Staff by the April 15 deadline shall result in an interest penalty of 50% over the normal authorized rate of return on common equity for the period of time that the Company fails to comply with the refund notification requirement.

(2) Steam Supply Cost Recovery (SSCR) Plan Reconciliation

Over/(under)-recovery amounts arising from the annual SSCR Reconciliation shall be reported in accordance with the provisions of 2008 PA 132.

b. Refund Allocation

(1) Supplier Refunds

Supplier refunds shall be allocated between SSCR and Non-SSCR customers on the basis of actual consumption during the historical refund period.

c. Refund Pass-Through

(1) To SSCR Customers [Roll-in Methodology]

All supplier refunds allocable to SSCR customers shall be reflected as adjustments to the SSCR Cost of Steam Supply in the month received and should be included in "Purchased and Produced." Adjustments to prior year's SSCR under- or over-recoveries and any Commission-ordered disallowances associated with a prior SSCR period, along with all other refund liabilities will be reflected separately below the cost of steam sold line for the month of effect, in order that they may be included in the month-to-month rolling over/(under)-recovery balance for purposes of interest calculation.

The Company shall maintain records as to the source amount and timing of each roll-in component.

Interest shall be accrued on the month-to-month rolling over/(under)-recovery balance at the rates specified in 2008 PA 132.

These sheets are held for future use.

EXHIBIT C

Exhibit C

Price per Mlb. Calculation Examples:

• First Twelve Month Period of the First Renewal Term:

$$\text{Price per Mlb.} = \frac{\text{PPI Industry Group Utilities (Series ID: pcu221 -- -- 221 -- --)} (\text{Not Seasonally Adjusted}) \text{ August 2022}}{145.1}$$

- Contract Anniversary Start Date: October 26, 2017 (hypothetical)
- 12-month period of Renewal Term: October 26, 2022 – October 25, 2023
- August 2022 PPI Value: 155.6 (hypothetical for purposes of calculation)
- Price per Mlb. calculation = $\frac{155.6}{145.1} \times$ [redacted]
- Price per Mlb. during the 12 month period between October 26, 2022 – October 25, 2023 = [redacted]

• Second Twelve Month Period of the First Renewal Term:

$$\text{Price per Mlb.} = \frac{\text{PPI Industry Group Utilities (Series ID: pcu221 -- -- 221 -- --)} (\text{Not Seasonally Adjusted}) \text{ August 2023}}{\text{PPI Industry Group Utilities (Series ID: pcu221 -- -- 221 -- --)} (\text{Not Seasonally Adjusted}) \text{ August 2022}}$$

- Contract Anniversary Start Date: October 26, 2017 (hypothetical)
- 12-month period of Renewal Term: October 26, 2023 – October 25, 2024
- August 2023 PPI Value: 156.3 (hypothetical for purposes of calculation)
- Percentage Increase in PPI Value between August 2023 and August 2022
 - Percentage Increase in PPI Values = $\frac{156.3}{155.6}$
 - 100.450%
- Price per Mlb. calculation = $\frac{156.3}{155.6} \times$ [redacted] per Mlb.
- Price per Mlb. during the 12 month period between October 26, 2023 – October 25, 2024 = [redacted]

- Third Twelve Month Period of the First Renewal Term:

Price per Mlb. = $\frac{\text{PPI Industry Group Utilities (Series ID: pcu221 --- 221 ---)} \text{ (Not Seasonally Adjusted) August 2024}}{\text{PPI Industry Group Utilities (Series ID: pcu221 --- 221 ---)} \text{ (Not Seasonally Adjusted) August 2023}}$

- Contract Anniversary Start Date: October 26, 2017 (hypothetical)
- 12-month period of Renewal Term: October 26, 2024 – October 25, 2025
- August 2024 PPI Value: 165.3 (hypothetical for purposes of calculation)
- Percentage Increase in PPI Value between August 2024 and August 2023
 - Percentage Increase in PPI Values = $\frac{165.3}{156.3}$
 - 105.76%
- Price per Mlb. calculation = $\frac{\text{Price per Mlb.} \times 165.3}{156.3}$
- Price per Mlb. during the 12 month period between October 26, 2024 – October 25, 2025 = $\frac{\text{Price per Mlb.} \times 165.3}{156.3}$

- Fourth Twelve Month Period of the First Renewal Term (Price lower than prior year):

Price per Mlb. = $\frac{\text{PPI Industry Group Utilities (Series ID: pcu221 --- 221 ---)} \text{ (Not Seasonally Adjusted) August 2025}}{\text{PPI Industry Group Utilities (Series ID: pcu221 --- 221 ---)} \text{ (Not Seasonally Adjusted) August 2024}}$

- Contract Anniversary Start Date: October 26, 2017 (hypothetical)
- 12-month period of Renewal Term: October 26, 2025 – October 25, 2026
- August 2025 PPI Value: 162.3 (hypothetical for purposes of calculation)
- Percentage Increase in PPI Value between August 2025 and August 2024
 - Percentage Increase in PPI Values = $\frac{162.3}{165.3}$
 - 98.19%
- Price per Mlb. calculation = $\frac{\text{Price per Mlb.} \times 162.3}{165.3}$
- Price per Mlb. during the 12 month period between October 26, 2025 – October 25, 2026 = $\frac{\text{Price per Mlb.} \times 162.3}{165.3}$
- Price per Mlb. during the 12 month period between October 26, 2025 – October 25, 2026 = $\frac{\text{Price per Mlb.} \times 162.3}{165.3}$ per Mlb. which is equal to the price per Mlb. charged during the immediately preceding 12 month period.